

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:
1. Shri Bhanu Bhushan, Member
2. Shri R. Krishnamoorthy, Member

Petition No.61/2007

In the matter of

Application for grant of inter-State trading licence in electricity to Sri Balaji Biomass Power Private Limited.

And in the matter of

Sri Balaji Biomass Power Private Limited, Hyderabad ..**Applicant**

The following was present:

Shri C.Purshotham, SBBPPL

**ORDER
(DATE OF HEARING: 18.12.2007)**

The applicant, a company registered under the Companies Act, 1956 has made the present application under sub-section (1) of section 15 of the Electricity Act, 2003 (the Act) for grant of Category `A` licence for inter-State trading in electricity in whole of India, except of Jammu and Kashmir for trading up to 100 Million Units of electricity in a year. The Memorandum of Association of the applicant covers trading in electricity as one of its main objects. The notices under sub-section (2) of section 15 of the Act read with clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2004 (hereinafter referred to as "the trading regulations") have been published by the applicant. No objections have been received on the public notices.

2. As per Regulation 6, the net worth of the electricity trader at the time of filing of application should not be less than Rs. 1.5 crore in case of an applicant proposing to trade up to 100 Million Units of electricity in a year.

3. The applicant has placed on record details of M/s Greenko Mauritius, principle shareholder of the applicant, vide affidavit dated 26.11.2007 along with details of its parent company, funding from the parent company, shareholding in the applicant company and its legal status.

4. From the balance sheet of the applicant company, its net worth values have been worked out as detailed below:

(Rs. in lakh)

Year	2004-05	2005-06	2006-07 (Provisional)
Share Capital			
Paid up equity capital	849.70	840.00	840.00
Reserves and Surplus			
General Reserve			
Surplus in P/L A/C	7.81	128.31	321.22
Sub-Total 2	7.81	128.31	321.22
Less:			
Misc Expenses to the extent not written off or adjusted	4.26	3.19	2.13
Net Worth (1 + 2 - 3)	853.25	965.11	1,159.09

5. It is noted that the above net worth is represented by the following assets and liabilities:

(Rs. in lakh)

Year	2004-05	2005-06	2006-07 (Provisional)
Fixed Assets			
Gross Block	2,492.02	2,483.27	2,475.73
Less: Depreciation	119.89	242.80	363.42
Net Block	2,372.13	2,240.46	2,112.31
Capital Work-in-Progress			140.02
Sub-Total 1	2,372.13	2,240.46	2,252.33
Investments	0.01	0.01	0.01
Current Assets, Loans & Advances			
Inventories	126.00	120.03	71.08
Cash and Bank Balance	26.52	60.68	8.49
Sundry Debtors	84.84	149.87	149.85
Loans & Advances	48.65	4.66	142.23
Other Current Assets			
Sub-Total 3	286.01	335.23	371.64

Current Liabilities & Provisions			
Sundry Creditors	38.42	11.91	51.40
Other Liabilities	3.38	6.70	
Provisions	0.85	12.40	27.81
Sub-Total 4	42.66	31.01	79.20
Loans			
Secured Loans	1,762.24	1,579.57	1,385.68
Unsecured Loans			
Sub-Total 5	1,762.24	1,579.57	1,385.68
Net Worth(1+2+3-4-5)	853.25	965.11	1,159.09

6. On consideration of the above facts, we are satisfied that the applicant meets the net worth requirements specified by the Commission for grant of licence for trading up to 100 MUs of electricity during a year. Therefore, *prima facie*, based on its net worth, the applicant qualifies for grant of licence for inter-State trading as category `A` electricity trader, that is, for trading a volume up to 100 Million Units of electricity during a year.

7. Therefore, the Commission proposes to grant the licence to the applicant for category `A`. We direct that a notice under clause (a) of sub-section (5) of Section 15 of the Act be issued inviting further suggestions or objections to the proposal of the Commission.

8. List this petition for further directions on 22.1.2008

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 19th December 2007

sd/-
(BHANU BHUSHAN)
MEMBER